

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3544-01
BILL NO.: HB 1796
SUBJECT: Department of Agriculture; Licensing Fees
TYPE: Original
DATE: March 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue Fund	\$0	(\$20,000)	(\$20,000)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$20,000)	(\$20,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning** assume their agency would not be fiscally impacted by this proposed legislation. However, they noted that there would be impact on total state revenue.

Officials from the **Department of Agriculture** (AGR) assume that the elimination of the \$5.00 licensing fees will decrease revenue by approximately \$21,000 per year. AGR's assumptions on the reduction of general revenue were based upon the FY00 licensing period which indicated 214 dealers and 3,999 retailers paid \$5.00 licensing fees. Additionally, the elimination of the license fees will result in the reduction of postage fees and printing costs to general revenue which is estimated at \$1,000. The estimated net effect on the General Revenue Fund is a loss of \$20,000 in FY's 02 and 03. There is no fiscal impact reflected for FY 01. License fees are due on July 1 for the upcoming licensing year; therefore, essentially all fees for FY 01 would be paid before this legislation becomes effective on August 28, 2000.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Savings - Department of Agriculture</u>			
Expense and Equipment	\$0	\$1,000	\$1,000
<u>Loss - Department of Agriculture</u>			
Licensing Fees	<u>\$0</u>	<u>(\$21,000)</u>	<u>(\$21,000)</u>
Estimated Net Effect on GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$20,000)</u>	<u>(\$20,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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Long-Range Implications

AGR noted that the elimination of the licensing requirements will make it difficult to monitor businesses for egg quality at the retail level. Currently, all new businesses are required to obtain an egg license making the Department aware of their business activity.

FISCAL IMPACT - Small Business

Small businesses affected by this proposal would no longer have to pay these license fees and would expect a decrease in paperwork.

DESCRIPTION

This proposal removes the annual \$5 license fee for retail egg dealers and the annual \$5 license fee for egg dealers selling 25 or fewer cases of eggs (30 dozen per case) in any one week.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Office of Administration - Division of Budget and Planning

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
March 10, 2000